



# Materially Reducing Loan Monitoring Overhead

How automation can free up weeks of analyst time each year

In 15 years, the technology for loan reporting and monitoring hasn't changed much. Lenders spend a material amount of human capital reminding borrowers of their reporting requirements. It also takes hours to manually organize and process incoming data to assess risk and confirm that the key terms and conditions of the loan are being met. The operational cost and impact on the effectiveness of risk management is significant.

Given the sophistication of technology today around process automation and data management, it's possible to reimagine your operations. Leveraging the right technology can help you to create purpose-built workflows for capturing, organizing, and analyzing loan data to significantly improve operational scalability, customer relations, and risk management. This way, you can overcome and grow beyond today's fundamental challenges by improving each step of the end-to-end workflow.

## Challenge 1: Correspondence Grind

In the traditional workflow model, loan representatives, compliance officers or underwriters looking for compliance reports start with emailing or phoning clients, asking for the various financial attachments required to monitor business performance.

Those same emails asking for the same documents are still sent today during each reporting period. This stagnant process results in headaches for all parties. It's also inconsistent with the overall goal of maintaining positive business relationships, given the material drain of manual processes.

If you're a loan representative, you might send hundreds of emails a month trying to track down the business performance data you need from your clients. Your team's analysts also spend material time updating, organizing, sorting, and analyzing documented performance data via complex Excel workbooks that are equally complex to manage.

Borrowers tell us that this reporting correspondence is painful. They don't look forward to the continuous deluge of emails from their lender, hounding them to prepare and submit all their reporting requirements. Nor do they enjoy searching an inbox to find what's already been sent, received, or needs correction.

When added up across a multi-year loan period, the time spent managing the information abyss is terrible for everyone.



## Challenge 2: Paralysis of Analysis

No analyst enters the industry hoping to sort and label PDF and Excel files or scrub them for relevant information. Analysts want to analyze and help build portfolios. They want to dive into relevant data and identify the warning signs that may signal an emerging investment risk, or identify high-growth opportunities to strengthen the portfolio. Without automation, the analyst job is distracted from its core value. Delays in processing data also stop or delay key decisions from being made around risk management, or growth, in a timely manner.

## Challenge 3: Reporting as a Burden

Both sides of the reporting and monitoring workflow are rife with frustration, especially when the business terms require ongoing (and timely) reporting. Borrowers may feel lost if there's ambiguity about the reporting documentation process. Early-stage businesses may wonder if they have such a document or how to make one.

Keeping track of the status of each reporting commitment is also difficult when the process is manual and left to each party. It's easy to forget what's been updated, what's been sent, where it needs to go and which files are still required.



FlowPoint's platform is the first reporting compliance hub that works to address the needs of both lenders and borrowers. Here's how it can help you create a transformative experience.

### 1 Unlock the Communication Grind

FlowPoint automates the reminder cadence, acquisition, sorting and labelling of incoming external client documentation, saving valuable time for account managers, analysts, compliance officers and borrowers, too.

For loan representatives, technology sidesteps the need to send email requests to borrowers. Instead, you can finalize the details for a new client, set the reporting cadence and expectations, and then move on to finding your firm's next new client. The system dispatches all the reminders, follow-ups and late notices while giving you a workflow dashboard to track real-time reporting compliance. Loan representatives can devote time to building relationships, finding new clientele, and bringing more deals to the table, creating richer opportunities for career progression and organizational growth.



## 2 Release the Analysis Paralysis

For analysis and compliance teams, FlowPoint increases the efficiency with which you conduct due diligence. Using technology to organize and sort incoming data lets you know at a glance if a borrower's compliance reporting is current. You can also filter documents with a mouse click. FlowPoint's technology standardizes, labels and time-stamps documentation receipts in a clear, intuitive way. Whether it's internal checks and balances or an external audit, standardized technology gives lending firms a material edge to improve default rates, decrease liability, and increase reporting compliance.

Standardizing what you collect from borrowers will help your analyst team to make truer comparisons across your lending portfolio. It will finally be possible to give compliance teams real-time updates on document status and completion rates.

## 3: Ease the Reporting Burden

FlowPoint gives your borrowers a clear, easy to read list of the documents they need to submit, with specified formats, templates, and due dates. Avoid confusion, ambiguity, and, in extreme cases, litigation by having a clear, transparent record—visible to both parties—of all submissions.

FlowPoint also makes it easy for Borrowers to update prior submissions as the basis for a new submission, reducing the overall required effort. Busy borrowers now know at a glance when documents are due, what they've done and what they need to provide. They may also find ways to apply the performance insights from this shared record to benefit their own financial and strategic planning.



## What does time saved mean?

Renewed focus on high-impact activities, such as growing a portfolio and earlier opportunities to successfully recover a troubled lending situation.

FlowPoint improves the way lenders and borrowers share financial performance data helps both parties to focus on building value. We're dedicated to making this process more efficient and less painful for everyone.

Next time, we'll explore how sharing a framework for business performance transforms the client experience.

~ Team FlowPoint

